

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1128 – HB 1116

April 4, 2014

SUMMARY OF ORIGINAL BILL: Removes reference to a repealed section of statute pertaining to exemptions of deadlines for notices of decisions and appeal procedures provided by the county board of equalization.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (015026, 015843): Amendment 015026 deletes all language after the enacting clause. Requires the base tax for property tax freeze programs to be recalculated in any year in which the actual tax due is less than the previously established base tax for the property and applies this recalculated base tax until further recalculation. Requires each assessor to make assessment records available to the County Trustee and other tax collecting officials in electronic format or such other format as agreed upon. Authorizes assessors, with approval of the director extends the filing deadline to April 15 for any year in which electronic filing is required by the county. Tangible person property assessments may be appealed directly to the state board of equalization (SBE) until 45 days after the assessment change notice is sent. Requires procedures for mitigation of a forced assessment of tangible personal property the same as the procedures for correction of error pursuant to Tenn. Code Ann. § 67-5-509. Authorizes the use of photography of real property during a county-wide appraisal in addition to on-site review. Amendment 015843 deletes Section 2 of amendment 015026, which will delete the requirement that each assessor to make assessment records available in electronic format or such other format as agreed upon.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- According to information provided by the Comptroller of the Treasury (COT), recalculation of base taxes for property tax freeze programs will require COT to make software changes to state assessment systems to capture the new base; however any cost associated with such changes can be accommodated within existing resources.

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- According to COT, in counties that have adopted property tax freeze programs, the recalculation of the base tax will result in a decrease in local government property tax revenue of approximately \$100,000 statewide each year.
- According to COT, the provisions of the bill as amended will shorten the length of time for appeal of forced assessment of tangible personal property by approximately one year. It is estimated some property owners would not adhere to this deadline and would be required to pay the forced assessment amount. This will result in an increase in local government revenue of approximately \$100,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jrh